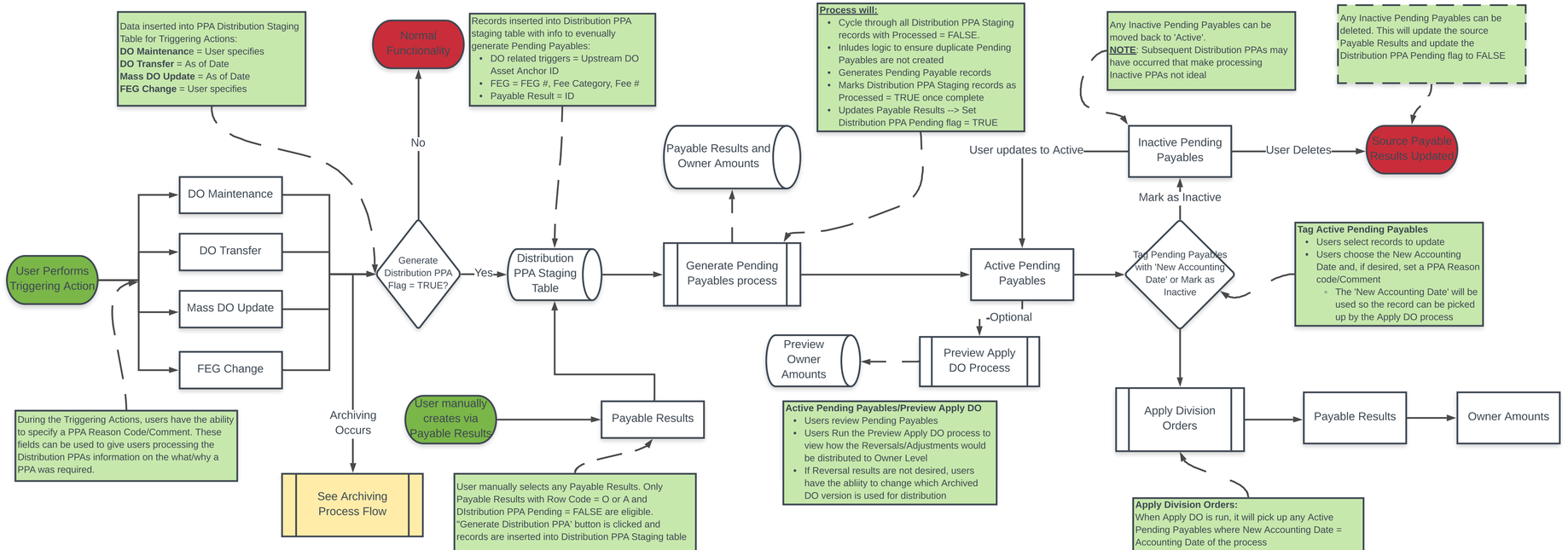
Distribution PPAs



Distribution PPA Scenarios:

- **Owner NRI Correction**
  - Via DO Maintenance, DO Transfer
  - Distribution PPA only
- **Estimated Ownership to Actual Ownership**
  - Via DO Maintenance, DO Transfer
  - Distribution PPA only
- **Owner Fee Exemption Group Change**
  - Via DO Maintenance, DO Transfer, Mass DO Update
  - Distribution PPA only
- **Fee Exemption Group Change**
  - Via Fee Exemption Group update --> Deleting or adding a fee into a processed Fee Exemption Group
  - Distribution PPA only
- **Tax Exempt Change**
  - Via DO Maintenance, DO Transfer
  - Requires Distribution PPA and Asset PPA (all applicable Production Dates)
- **Contract Change --> Owner moved to/from a new Contract**
  - Via DO Maintenance, DO Transfer, DO Mass Update
  - Requires Distribution PPA and Asset PPA (all applicable Production Dates)
- **Contract NRI Change --> DO Transfer occurs moving total Interest between owners who are on different Contracts**
  - Via DO Maintenance, DO Transfer
  - Requires Distribution PPA and Asset PPA (all applicable Production Dates)
- **Take/Entitlement Change** (untested)
  - Via DO Maintenance, DO Transfer
  - Distribution PPA only
- **DO Updates requiring distribution to Effective Date** --> TBD (untested)
  - Payouts; Unleased/Leased Owners; ONRR NRI Increase; Sliding Scale

Distribution PPA --> Various Verification/Notes:

- Sum of the Adjustment Active Pending Payables of the Dist PPA should equal the sum of Payable Results (R/A) --> When comparing at a well/production date level
- When performing a DO change where Tax Exempt Status changes on an LOI or the NRI of a Tax Exempt party changes, notify the Tax Group to update Contract Allocation
- When reviewing Owner Amounts with Distribution PPA data (in their entirety), filter out Status = 'Paid on Later Date'
- When updating a Fee Exemption Group, with the Generate Dist PPA flag = TRUE, the FEG Archive process will only be successful if all DO's linked to that FEG are in a Posted status. If there are any DO's in a non-Posted status, the process will error and the FEG Update will not be made. The Error Log will reference the offending DOs.

Distribution PPA --> Timing

- Problems can occur if any Production Dates are processed via normal Asset processing in between the time the triggering DO Action occurs and the Distribution PPA is processed
  - Reason being that the Asset PPA will reverse/rebook to the most up to date DO Sequence
  - This applies to original runs of a Production Date or Asset PPA runs of ***any*** Production Date
  - Thus, if we proceed with processing the Dist PPA, we would reverse off the old DO Seq (which was never used) and reverse to the current DO Seq (basically distributing twice)
- Solution = To review/clear the Distribution PPA Staging Table as part of each Company Process Control cycle
  -

Distribution PPA --> Timing Example

- DO Triggering action was done on 1/8/2020, creating a new DO Sequence. The PPA From Date was 5/1/2019, signifying that ***all*** Production Dates from that date onward need to be PPA'd
- Generate Pending Payables process was run on 1/27/2020
- Between the Dist PPA Creation date and the Dist PPA Processed Date, the ***11/1/2019*** Production Date was run through a Company Processing Cycle. This occurred on 1/17 and distributed to the correct "new" DO Sequence
  - Thus no Distribution PPA is needed for 11/1/2019 Production Date, since it was distributed correctly